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## **Hong Kong Institute of CPAs takes disciplinary action Against a certified public accountant**

(HONG KONG, 11 June 2013) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 28 May 2013 that the name of Cheung Kam Sing (membership number A19279) be permanently removed from the register of certified public accountants with effect from 9 July 2013. In addition, Cheung was ordered to pay the costs of the disciplinary proceedings of HK\$41,463.

In 2010, Cheung was convicted of a criminal offence and sentenced to 6 years of imprisonment for dealing with a total sum of some six million euros that was known or reasonably believed to represent proceeds of an indictable offence, contrary to section 25(1) and (3) of the Organized and Serious Crimes Ordinance (Cap 455).

At the material times, Cheung was the sole proprietor of Cheung Kam Sing and Company, a firm of certified public accountants (practising) which had ceased practice. He provided services to clients who were allowed to use his bank account to deal with monies related to their business. The trial judge considered that relevant deposits into and withdrawals from the bank account were substantial and for no plausible reason. Cheung appealed against his conviction and sentence, and his appeal was dismissed by the Court of Appeal in December 2011.

After considering the information available, the Institute lodged a complaint against Cheung under section 34(1A) of the Professional Accountants Ordinance.

The Disciplinary Committee found that the conviction of Cheung and his failure to implement adequate anti-money laundering measures in the circumstances rendered him guilty of dishonourable conduct in breach of section 34(1)(a)(x) of the Professional Accountants Ordinance.

Having taken into account the circumstances of the case, the Disciplinary Committee made the order against Cheung under section 35(1) of the Professional Accountants Ordinance.

Under the ordinance, if Cheung is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

Findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at [www.hkicpa.org.hk](http://www.hkicpa.org.hk).

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the Professional Accountants Ordinance by a five-member Disciplinary Committee. The majority (three members) of each committee, including the chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two members are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interests of justice. A hearing schedule is available at the Institute's website. A CPA who feels aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

The Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practising certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

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### **About the Hong Kong Institute of CPAs**

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 35,000 members and 17,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designatory letters CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate CPA qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of The Global Accounting Alliance - an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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